

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 05787 221418Z
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 SP-02 AID-05 COME-00 STR-04
CIAE-00 INR-07 NSAE-00 /037 W
-----230303Z 067734 /72
R 221129Z APR 77
FM AMEMBASSY NEW DELHI
TO USDA/WASHDC
INFO SECSTATE WASHDC 2882

C O N F I D E N T I A L NEW DELHI 5787

DEPT PASS USDA/WASHDC FOR ACTION

FROM AGATT FOR USDA PASS K.O. STEPHENS, CEP, OGSM

E.O. 11652: N/A
TAGS: EAGR, IN
SUBJECT: PEANUT OIL - CCC CREDIT

REF: FASTO 56

1. GOI INTERESTED IN IMPORTING 50,000 TO 100,000 METRIC TONS PEANUT OIL TO STABILIZE DOMESTIC PRICES. MINIMUM QUANTITY OF 50,000 DESIRED BY OCTOBER. AMOUNT BEYOND THAT FIGURE DEPENDENT ON OUTCOME 1977 PEANUT CROP TO BE HARVESTED BEGINNING NEXT SEPTEMBER-OCTOBER. EVEN IF CROP IS AN AVERAGE ONE, PURCHASES ARE POSSIBLE BEYOND 50,000 WITH DELIVERIES STRETCHED OUTAFTER OCTOBER.
 2. BECAUSE OF LARGE QUANTITY INVOLVED AND THE PRICE SENSITIVITY OF WORLD EDIBLE OILS MARKET, GOI PREFERS NEGOTIATE PRICE AND PURCHASES DIRECT FROM CCC. OFFICIALS UNDERSTAND U.S. POLICY NOT YET FORMULATED RE SALES FOR EXPORT FROM CCC STOCKS. HOWEVER, THEY FEEL THAT IF CCC MAKES DECISION TO RELEASE STOCKS FOR EXPORT BY U.S. TRADE, PRICE WILL RISE ON NEWS INDIA IS IN MARKET. THEY ALSO THINK OTHER COUNTRIES MAY COMPETE WITH THEM TO PURCHASE WHICH WOULD CONTRIBUTE TO PRICE INCREASE.
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3. IN FURTHER DISCUSSION WITH GOI OFFICIAL FOLLOWING STEPHENS AND AGATTACHE TELEPHONE CONVERSATION, AGATT POINTED OUT THAT DIRECT SALE TO GOI BY CCC- THEREBY BY-PASSING U.S. TRADERS- MIGHT NOT BE AUTHORIZED SINCE THIS WOULD BE DEPARTURE FROM USUAL PROCEDURE. BELIEVE A NEGATIVE DECISION WOULD NOT PRECLUDE INDIA BUYING FROM U.S. TRADE UNLESS PRICE BECAME PROHIBITIVE.

4. OFFICIALS EMPHASIZED DESIRE FOR NO PUBLICITY AND REQUEST EARLY DECISION ON AVAILABILITY SINCE THEY WANT THE PRODUCT AS SOON AS POSSIBLE.

5. PURCHASE IS NOT CONTINGENT ON CCC CREDIT ALTHOUGH THEY MIGHT BE INTERESTED IN CCC FINANCING FOR PART OF IT LATER. THIS WOULD REQUIRE POLICY DECISION INVOLVING MIN OF FINANCE WHICH LIKELY WOULD MEAN SOME DELAY. CONSEQUENTLY, PREFERENCE IS FOR CASH PURCHASE OF INITIAL QUANTITIES TO EXPEDITE DELIVERY.

6. STATE TRADING CORPORATION LIKELY AGENT FOR PURCHASES ALTHOUGH IMPORTS BY PRIVATE SECTOR MAY BE PERMITTED
SCHNEIDER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
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Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
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ISecure: 1
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Review Release Date: n/a
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Secure: OPEN
Status: NATIVE
Subject: PEANUT OIL - CCC CREDIT
TAGS: EAGR, EPAP, NUTS, IN, CCC-1
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